



MONTANA HAIL INSURANCE PROGRAM

2014 Crop Year Annual Report

The State Hail Insurance Program was enacted in 1917 to provide hail insurance to crop producers at actual cost and thereby improve their financial position and the economic wellbeing of the industry and the state. The State Hail Insurance Program is self-supporting through a proprietary fund and reserve established through premiums paid by participating producers. The State Hail Board sets premium rates on a county basis to reflect the actual cost of the insurance. The State Hail Insurance Program insures producers against hail damage on crops grown in Montana, up to the maximum coverage set by statute. Maximum coverage for most non-irrigated crops is \$75/acre and for most irrigated crops is \$114/acre. High value crops are insured at various rates. Please call the state hail office for quotes. Premium rates vary according to the zone you farm in and may range from 5.25% to 11.5% of total available coverage.

Hail Insurance Protects Your Crop Investment

When your crops are established, we encourage you to call the Hail program office at the Montana State Department of Agriculture to purchase your State Hail Insurance.

Montana Hail Insurance Program
P.O. Box 200201 | Helena, MT 59620-0201
(406) 444-2402 | hail.mt.gov

BOARD MEMBERS

Chairman

Gary Gollehon
Brady

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Secretary

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**MONTANA
DEPARTMENT OF
AGRICULTURE**

Kim Falcon
Bureau Chief

Walt Anseth
Section Manager

2014 CROP YEAR

Policy numbers were down this year after a record hail loss last season. Policies were purchased through the state hail office with an overwhelming positive response. Spring Wheat continues as the most insured crop with peas rising again this year to 106,807 acres insured. State Hail Insurance continues to be a valued form of protection for the producers of Montana.

98 YEAR SUMMARY

Total Risk Written.	\$1,854,264,523
Premium Charge.	\$159,460,453
Amount of Losses Paid.	\$119,183,547
Policies Issued.	199,049
Acres Insured.	81,203,182
Average Acres Per Policy	408
Number of Losses Paid.	44,790
Loss Ratio.	75 %
Total Refunds Paid.	\$32,466,126

Montana Hail Program 2014 Operations Report

As required by Montana Code Annotated a report of the 2014 season is hereby submitted.

Investments

<u>Amount Invested</u>	<u>Interest Rate*</u>	<u>Interest Received</u>
\$1,027,796	0.1%	\$1,360

*Annualized interest rate for average amounts in Short and Long Term Investments.

Damage Summary for 2014

<u>Crops</u>	<u>Acres Damaged</u>	<u>Loss Paid</u>
Barley	18,131	\$756,625
Beans	45	\$1,556
Canola	3,203	\$130,189
Corn	512	\$38,400
Durum Wheat	16,590	\$373,534
Flax	2,654	\$91,083
Hay	355	\$13,313
Lentils	2,687	\$116,764
Mustard	381	\$24,923
Oats	242	\$7,389
Peas	13,841	610,938
Safflower	1,779	\$97,905
Spring Wheat	90,792	\$3,151,410
Winter Wheat	59,829	\$1,968,364
Totals	211,041	\$7,382,392

Business Summary For 2014

Total Risk Written.	\$93,839,672
Premium Charge.	\$ 8,655,089
Amount of Losses Paid.	\$ 7,382,392
Policies Issued.	1,461
Acres Insured.	1,402,330
Average Acres Per Policy.	960
Acres Reported Damaged.	211,041
Number of Losses Paid.	391
Loss Ratio	85.3%

Total Acres Insured — 2014

<u>Crops</u>	<u>Acres</u>
Alfalfa Seed	573
Barley	169,812
Beans	1,727
Buckwheat	1,121
Canola	9,174
Corn	7,558
Durum Wheat	58,340
Flax	6,131
Hay	5,900
Lentils	16,169
Millet	382
Mustard	1,873
Oats	2,275
Peas	106,807
Rape Seed	157
Safflower	14,002
Sanfoin	1,020
Sorghum	57
Soybeans	1,354
Speltz	143
Spring Wheat	566,739
Sugar Beets	500
Sunflower	286
Triticale	1,791
Winter Wheat	428,439
Totals	1,402,330

Operating Expenses

11/1/2013—10/31/2014

Personnel Services.	\$289,633
Operating Expenses.	\$83,532
General Fund Pymt for 2013 . .	\$65,983
Reinsurance	\$1,134,558
Indirects.	\$57,607
Total Operating Expenses.	\$1,631,313